ALERTS | 12.05.2025

Donors Take Care: How to Avoid Charitable Giving Scams

In 2024, the Federal Trade Commission (the "FTC") and the attorneys general of 10 states filed a lawsuit in federal court against Cancer Recovery Foundation International (aka Women's Cancer Fund or the "Fund"), and its president, Gregory Anderson, alleging that they raised $18 million over a five-year period from donors who wanted to help cancer patients, but that only 1% of the money went to help the patients. Indeed, the lawsuit claimed that, despite promises to use donations to save lives and help defray everyday expenses of cancer patients, the Fund used 85% of donations to pay Mr. Anderson and the for-profit fundraisers he hired.

Unfortunately, this kind of headline—and charitable scamming generally—is not new or unique. In 2024, over 11,000 charitable solicitation scams were reported to the FTC, up from almost 10,000 scams reported in 2023. These scams come in various forms and can be hard to distinguish from legitimate fundraisers. However, there are important steps donors can take to plan a donation and avoid scams, including:

Research!

- Various organizations, including Charity Navigator and the Better Business Bureau, provide ratings and reports on how charities operate and spend donations. Donors can use their free online search tools (charitynavigator.org and give.org) to evaluate a charity. If an organization has a poor rating, similar to the Fund's zero-star rating on Charity Navigator, donors should proceed with extreme caution.
- Before donating, donors should obtain the charity's precise legal name, tax identification number (its "EIN"), and address. Checking the charity's website or calling the charity is a prudent way to be sure you have identified the correct charity—some scammers have committed fraud by using names that look similar to a legitimate charity's name. You can use the IRS's tax-exempt organization search tool to verify an organization's tax-exempt status.

Don't rush!

- Scammers often appear during times of catastrophe, like natural disasters or tragic events, and request urgent support. Donors should question an organization's legitimacy if donors are pressured to contribute immediately. Legitimate charities take time to answer a donor's questions and build a relationship, even when needs are pressing.
- Donors should carefully review charity names and details, as scammers often invent information that sounds familiar or authentic but contains typos or can't be found online.
- Donors should speak directly with a representative of the charity, rather than a third-party, for-profit fundraiser. Although some legitimate charities use fundraisers, for-profit fundraisers are commonly used by fraudsters. When anyone contacts you requesting a donation, you can ask how they are connected to the charity, which can help detect whether they are actually a for-profit fundraiser.

Choose your payment method carefully—and get a receipt!

- Donors should use credit cards or checks, rather than cash, gift cards, or wires, to make a gift. If gifts are automated and recurring, donors should review bank or credit card statements to ensure donation amounts and frequency are accurate.

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- Donors should also collect donation receipts to confirm that the organization is legitimate and to protect the donation's deductibility (see our prior client alert Save Your Receipts!).

If a donor is a victim of a charitable scam, the donor should report it to the FTC and their local attorney general.

Of course, a member of your Choate team is happy to help you evaluate chariti

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Cameron Casey
Practice Co-Chair, Choate Wealth
Attorney | Partner

Jessica L. Lambert
Attorney | Partner

Lanny Thorndike
Practice Co-Chair, Choate Wealth
President, ChoateIA

Kristin T. Abati
Attorney | Partner

Courtney N. Carr
Attorney | Partner

Charles A. Cheever
Attorney
Co-Managing Partner

Marc J. Bloostein
Attorney | Partner

Kimberly E. Cohen
Attorney | Partner

Jennifer Ewing
Attorney | Partner

Renat V. Lumpau
Attorney | Partner

Geoffrey M. Mason
Attorney | Partner

Brian W. Monnich
Attorney | Partner

Rachel Y. Meagher
Attorney | Principal

Tamer M. Alamuddin, CFA
Managing Director

Henry Dormitzer
Managing Director & Trustee

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Diana B. Malcom
Managing Director

Sarah Tomeo Hertzog
Attorney | Partner

Shira H. Sokal
Attorney | Of Counsel

Andree M. Saulnier
Attorney | Of Counsel

Katherine Toth
Philanthropic Advisor

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